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News Release
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**Chandler offering Collateral Assistance Program to local
businesses seeking loans**

CHANDLER, Ariz. – Chandler's Industrial Development Authority (CIDA) is introducing the Chandler Collateral Assistance Program (CCAP), a new business assistance program designed to free up credit, stimulate private sector expansion, and create jobs in Chandler.

Successful CCAP applicants receive a collateral contribution from the CIDA towards the closing of an eligible loan. The collateral contribution is up to \$50,000 or 20 percent of the total loan proceeds, whichever is less, and is deposited with the borrower's lender for up to two years. All interest earned on the collateral deposit belongs to the CIDA and, after two years, the CIDA will withdraw the collateral so it can be used to fund future CCAP deals.

Collateral Assistance funds are available to for-profit companies currently operating in Chandler, or expanding into Chandler, in the retail, manufacturing, wholesale and service sectors. Appropriate projects include new construction, the purchase or renovation of an existing facility, leasehold improvements, the acquisition of machinery and equipment, or working capital. In return, the business owners agree to create at least one job in Chandler for every approved CCAP application. Companies must have an established track record with at least two years of operating history, and have shown the ability to make a profit. The net worth of the companies cannot be more than \$7.5 million, with an average profit over the past two years of not more than \$2.5 million (after federal income tax).

"The IDA is excited about this new program, and we want the citizens of Chandler to know about it," said CIDA President Edward Salanga, who briefed the City Council on the program at the March 11, 2013, Study Session. The IDA provides tax-exempt financing to businesses through industrial revenue bonds. Fees collected in connection with those bonds have built up over time into a significant amount of money. "The IDA wants to allocate some of that money to this new

purpose that we believe will encourage economic growth and create jobs for Chandler,” Salanga said.

Businesses interested in applying for CCAP funds are encouraged to speak with their preferred lending institution. Questions can be directed to the City’s Economic Development Director Christine Mackay at 480-782-3035 or Management Services Director Dawn Lang at 480-782-2255. Information is also on the City website at the following link:

- <http://www.chandleraz.gov/default.aspx?pageid=691>

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